



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance and Financial Audit

Report Number:
63-420-03

Homeowner Construction Lien Recovery Fund

Department of Labor and Economic Growth

Released:
September 2004

The Homeowner Construction Lien Recovery Fund (HCLRF) was established in January 1982 to protect homeowners from lien claims for residential construction and remodeling. It also protects persons providing labor, materials, or equipment for real property improvement. HCLRF is self-supporting from fees charged to licensed residential builders, various contractors, and other lien claimants.

Audit Objectives:

1. To assess the effectiveness of HCLRF's operations.
2. To audit HCLRF's financial statements as of and for the fiscal years ended September 30, 2003, September 30, 2002, and September 30, 2001.
3. To assess and report on HCLRF's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the financial statements, and on its internal control over financial reporting, based on our audit of the financial statements.

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Audit Conclusions:

1. Our assessment concluded that HCLRF's operations were generally effective. Our report does not include any reportable conditions related to this audit objective.
2. We expressed an unqualified opinion on HCLRF's financial statements.
3. Our assessment of compliance did not disclose any instances of noncompliance that could have a direct and material effect on the financial statements. Also, our assessment of internal control over financial reporting did not disclose any material weaknesses.

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A copy of the full report can be
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